AMENDMENT TO THE SPECIFICATION

Please replace the paragraph beginning at Page 7, line 18 and continuing through to Page 8, line 12 of the specification with the following paragraph:

The redemption formula at maturity for the new exchangeable security is written generally as:

$$Redemption\_value = face + (end - forward)$$

where face is the forward plus nominal amount, if any (e.g., \$0.50, which is the additional payment of the invention), end is the closing price of the underlying security or basket of securities at maturity, or immediately prior to maturity, and forward is calculated as at or above the current spot or market price of the underlying security or basket of securities. Thus, for example, the forward is calculated as follows:

$$\cancel{forward = (1 + rate)''*spot} \quad \underline{forward = (1 + rate)^{n}*spot,}$$

where rate is the zero coupon annual compound rate at which the borrower pays for funds (L-10 bps), n is the maturity in years, and spot is the current spot or market price of the underlying security. Using this example, if rate is 7.53%, n = 2 and spot or market = 60.00, then the forward is 1.154 * \$60.00 = \$69.25, and the face is \$69.75.